IBM

Global Business Services

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Stephen A Elkins
Director
City of Austin
Department of Small & Minority Business Resources
4201 Ed Bluestein Blvd
Austin, Texas 78721

REVISED: MBE/WBE Compliance Plan for CIS Replacement Project

Dear Mr. Elkins:

The Austin City Council will soon review a proposed contract agreement for the CIS Replacement Project. If selected, IBM is committed to complying with the City of Austin's MBE/WBE Procurement Program on the CIS Replacement Project by affording and maximizing the use of Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs) in order to meet participation goals of 12.2% MBE and 12.2% WBE.

The project participation goals are based on a total contract amount of 45 million dollars. The project participation goals increase to 15% WBE and 14% MBE when the value of non-Addressable/non-Local scopes; specifically application hosting and bill print services) are removed from the Addressable Contract Value amount.

As well as participation in the 26-month implementation project, IBM proposes to utilize MBE and WBE sub-contractors during the 74-month support phase which follows. During this phase, IBM also will work with the appropriate subcontractors to rotate staff through the project This will increase the number of individuals in the Austin community with skills related to this project over and above that implied by the participation levels.

Through the assistance of the Small & Minority Business Resources (SMBR), IBM will solicit and use qualified MBE/WBE firms in the following areas:

- Oracle value added reseller
- Contract Management - aspects of on-shore / off-shore Oracle professional services team
- Oracle Database Administrator
- Project Office team member (project financial analyst)
- Technical specialists (Oracle CC&B Billing application, Microsoft Access, general technical skills)
- Oracle CC&B (application) functional specialist
- Data migration / conversion specialist

IBM will continue to work with SMBR to obtain MBE/WBE availability lists in the event additional subcontracting opportunities should arise.

IBM is committed to meeting the MBE/WBE objectives outlined above. We believe that we have put forth a sound plan to meet these commitments. We look forward to working with you and your office to realize these goals over the life of the project.

Sincerely,

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ATTACHMENT: Additional scope definition and timeline information

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IBM has developed a MBE/WBE compliance plan for the CIS Replacement Project, in line with our discussions on Tuesday March 3rd and our subsequent meeting on Tuesday March 10th. Included in this attachment is a table describing potentially addressable scope that we discussed in our meetings, and providing more detail as to the breakdown of the scope proposed by IBM.

A summary of IBM's revised MBE/WBE compliance goals for this project is as follows:

OVERALL PROJECT PARTICIPATION GOALS (% of Total Contract Value):

Total MBEs: 12   %

Total WBEs: 12   %

Total Non-certified: 9   %

The project participation goals are based on a total contract amount of 45 million dollars. The project participation goals increase to 15% WBE and 14% MBE when the value of non-Addressable or non-Local scopes are removed from the Addressable Contract Value amount.

Proposed high-level scope of services, value and proportion of Item to each of Total Contract Value and Addressable Contract Value:

Item**	Approximate Value	Total Contract Value %	Cumulative	Addressable Value* %	Cumulative
Software procurement	S 5,578,624	12.2%	12.2%	15.3%	15.3%
Oracle Services	S 2,865,919	6.2%	18.4%	7.8%	23.1%
Other Implementation Services	S 1,693,990	3.7%	22.1%	4.6%	27.7%
AMS Support Services	S 1,061,025	2.3%	24.4%	2.9%	30.6%

* Excluding hosting & bill-print
** If price to IBM changes as a result of sub-contract negotiations, price to CoA may change

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IBM has developed a timeline which it has already started to execute. The current timeline for the plan is as follows:

Week 1/2:

1.   IBM works with the City to identify appropriately certified candidate subcontractor firms for the identified scopes of services.

2.   IBM initiates the subcontractor qualification process for each MBE/WBE firm

3.   IBM sends subcontractor qualification packet to each firm (e.g., Business Conduct, Questioner, Legal Agreements, etc)

Week 2/3:

1.   Suppliers complete the qualification packet and return to IBM

2.   IBM reviews the qualification response and checks qualifications

3.   IBM commences discussions with selected candidate firms regarding the scopes of services

4.   IBM develops a Request for Quote (RFQ) for services and license resale

Week 4/5:

1.   IBM evaluates RFQ responses

2.   IBM develops SOWs for identified scopes of services with the best qualified MBE/WBE firms.